



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

June 17, 1998

Jack D. Day  
Day Mining Company  
8530 W. Sahara Ave., Suite 160  
Las Vegas, Nevada 89117

Re: Incomplete Notice of Intention to Commence Small Mining Operations, DMCI Project, S/019/043, Grand County, Utah

Dear Mr. Day:

Thank you for your submission received by the Division on June 8, 1998. The submission included a small mine notice, an exploration notice, an exploration progress report, and an annual report. The proposed DMCI Project is located in the NE 1/4 NE 1/4 Section 9, and the NW 1/4 NW 1/4 Section 10, T23S, R21E, SLBM, Grand County, Utah. Based on your project description of drilling and development of a mine portal we have categorized your submission as a small mine notice. The exploration and annual report forms are not required with an initial notice submission. You will need to submit an annual report for the small mine operations at the end of each calendar year.

The information provided in the submission does not satisfy the requirements of Rule R647-3 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code Annotated. The Division will suspend processing your notice until your response to this review letter is received. The following information is requested by the Division:

The variance section on page four of the small mining notice was not completed. Please verify that no variances are requested in this notice. If no variances are requested your operation is expected to comply with all of the operation and reclamation practices described in the small mining notice form. You are not required to comply with practices for features which are nonexistent at your site or request a variance from such practices. If you cannot comply with a particular practice you will need to submit a written request for a variance. The variance request will need to refer to the practice you cannot comply with, and provide justification for the variance from this practice. A site inspection is typically required before the Division can grant a variance.

Enclosed for your reference is a copy of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of

Page 2  
Jack D. Day  
S/019/043  
June 17, 1998

undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

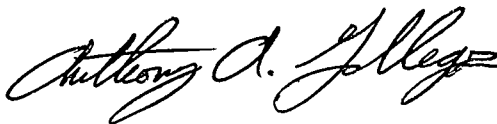
If you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon lands under state mineral leases/school sections administered by the School and Institutional Trust Lands Administration, or federal lands managed by the Bureau of Land Management (BLM) or United States Forest Service (USFS). Before conducting mining operations on these lands you must obtain written approval from the appropriate agency. The School and Institutional Trust Lands Administration can be reached at: 675 East 500 South, Salt Lake City, Utah 84102; phone number (801) 538-5100. You will need to contact the appropriate BLM Resource Area or USFS Ranger District for their requirements. We have provided the BLM Moab Field Office with a copy of your notice submission.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,



Anthony A. Gallegos  
Senior Reclamation Specialist

jb  
Enclosure: summary of operation & reclamation practices  
cc: Sal Venticinque, Moab BLM  
Kiran Bhayani, DWQ w/NOI  
Roger L. Bon, UGS  
Tracking File  
s19-43.noi